

What is the HealthSavings CDHP?

**Consumer Driven Health Plan (CDHP)
w/Health Savings Account (HSA)**



What is the HealthSavings CDHP?

The seal of the Georgia Department of Agriculture is visible in the background. It is a circular emblem with a blue border containing the text "THE GEORGIA DEPARTMENT OF AGRICULTURE" and "1796". Inside the circle, there is a central image of a plow and a sheaf of wheat, with the word "COMMERCE" written below them.

- New insurance plan option
- Can help you save money
- In addition to existing PPOs

PPO and HealthSavings CDHPs

The seal of the Georgia Department of Community Health is visible in the background. It is a circular emblem with a blue border containing the text "THE GEORGIA DEPARTMENT OF COMMUNITY HEALTH" and the year "1796". The center of the seal features a white background with a blue star and a blue plow.

- Provide comprehensive health insurance coverage
- Cover **preventive care in-network at no cost**
- Offer same provider networks
 - BCBST Network S
 - Cigna LocalPlus
- Include pharmacy coverage

Difference Between PPO and HealthSavings CDHP

In-Network Comparison	Partnership PPO	Standard PPO	Limited PPO	HealthSavings CDHP
Deductible	\$450 individual \$1,150 family	\$800 individual \$2,050 family	\$1,200 individual \$2,600 family	\$1,500 individual \$3,000 family
Medical Out-of-Pocket Max	\$2,300 individual 4,600 family	\$2,600 individual \$5,200 family	\$6,600 individual \$13,200 family	\$3,800 individual \$7,600 family
Pharmacy Out-of-Pocket Max	\$2,500 individual \$5,000 family	\$3,000 individual \$6,000 family	included with medical	included with medical
HSA Contributions	N/A	N/A	N/A	member and employer option

What is the HealthSavings CDHP



- Higher deductible
- Lower monthly premiums
- Includes Health Savings Account (HSA)

How does HealthSavings CDHP work?

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- Members pay for health care expenses based on discounted network rates
- When deductible is met, they pay coinsurance
- When out of pocket maximum is met, plan pays 100 percent

How Does HealthSavings CDHP Work

How the HealthSavings CDHP Works

Annual Expenses →

PREVENTIVE CARE

Preventive visits, immunization and screenings covered 100%*

DEDUCTIBLE

Amount you pay before the plan begins to pay

COINSURANCE

If your expenses reach the deductible, the plan will pay 70% of the cost of care and you pay 30%**

OUT-OF-POCKET MAXIMUM

If you reach your out-of-pocket maximum, the plan will pay 100% of eligible expenses

Your HSA

Plan pays

You pay

* For in-network services the plan will pay 100% of the cost of care.

** For in-network services the plan will pay 70% of the cost of care and you will pay 30%.

What is Co-Insurance?



- Percentage of total cost of services-after deductible is met
- You pay 30% of discounted network rates until max out of pocket reached

HealthSavings CDHP Pharmacy Benefits 1-2-3

1. Employee pays full negotiated cost of prescription drugs up to annual deductible,
2. Employee pays coinsurance until the annual out-of-pocket maximum is reached.
3. Plan covers 100 percent of in-network costs

For 90-day chronic maintenance drugs (e.g., hypertension, high cholesterol, etc.) pay coinsurance only – don't have to meet deductible first.

Important Note:

Member pays for the medication at the time of purchase. Even at the negotiated or discounted rate, some drugs can be expensive, particularly specialty drugs, so CDHP members may need to know costs and plan for that expenditure until the deductible is met

What is a Health Savings Account?

- A tax-free savings account to pay for deductible and coinsurance expenses.
- Payflex is vendor

HSAs are Triple Tax Free



1. Contributions are pre-tax
2. Account balance earns .24% interest tax-free
3. Distributions are tax-free

How is the HSA funded?

- Employees make payroll deductions
- Employees can make deposits as they wish
- Some employers will deposit money in the account

LEA and LGA will need to check with ABC to see if their agencies will be making HSA contributions.

HSA Belongs to the Employee



- Money is employee's money, even if he/she leaves or retires
- Balance rolls over at end of the year

Amount You Can Contribute Annually



- \$3,350/individual
- \$6,750/family
- Age 55+ can make additional \$1,000 contributions

Note: Per 2016 IRS guidelines set each year

HSA Can Be Used To Pay For

- Deductibles
- Co-insurance
- Vision and Dental
- Uncovered qualified expenses like
 - Hearing aids
 - Acupuncture
 - Home care
 - Other

HSA Cannot be Used For



- Premium Payments
- Non-qualified medical expenses
- Non-medical expenses (until age 65)

Other HSA Benefits



- Can help fund health expenses tax free when employee retires
- At 65, can be used for non-medical expenses with no penalty charges (but will be taxed)

HSA Penalties



If used for non-medical expenses (prior to age 65)

- Penalties charged
- Taxes must be paid

Difference Between HSA and FSA

- **FSA** is use it or lose it
- **HSA** is employee's money to keep
- If member is in **HSA**, can't use **FSA** for medical expenses
- With **HSA**, can use Limited Purpose **FSA** for
 - vision
 - dental

To Qualify for An HSA

- Must be covered under the HealthSavings CDHP
- Have no other health coverage, even a spouse's plan
- Not be claimed as a dependent on someone else's 2014 tax return
- Not be enrolled in
 - Medicare,
 - Veteran's Health Benefits
 - other government insurance program

What is ALEX?

ALEX is a smart, funny benefits expert who explains benefits options and may help members choose what's best for them.



QUESTIONS ABOUT HEALTHSAVINGS CDHP?

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